Guidelines for Federal Policy Priorities in Urban Areas

January 30, 2001

INSTITUTE of URBAN STUDIES

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January 30, 2001

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Executive Summary

This report presents a number of guidelines and principles that could serve as a basis for reviewing federal policy priorities in urban areas with a particular focus on Winnipeg. It combines research undertaken during past months and the views expressed at a roundtable on federal policy priorities in the Winnipeg area hosted by the Institute of Urban Studies of the University of Winnipeg. Western Economic Diversification Canada has commissioned this report as a way to promote dialogue on federal urban policy and, more specifically, its future focus in Winnipeg.

Propelled by circumstances such as the rapid urbanization of the country and the need to build housing and basic infrastructure, the federal government became actively involved in Canadian urban issues for more than two decades after World War II. In the late 1970s and during the 1980s, however, much of this changed. Federal involvement waned in the wake of a recession and a changing relationship with the provinces.

Today, Canadian cities are facing dynamic economic, social, demographic and environmental forces that, although quite different from the circumstances that precipitated past federal involvement in urban issues, are nevertheless creating a set of circumstances and impacts that are beyond the scope of any one level of government. Trends such as globalization, the shift to an information and knowledge-based economy, an aging population, increased immigration, homelessness, poverty, decaying infrastructure, deteriorating city neighborhoods and concerns about clean air and clean water are having a significant impact on many urban areas.

There is also a new recognition of the importance of cities to regional economies. A single metropolitan area can dominate the economy of a particular region. As a result, a region's economic fate can be inextricably linked to the economic success or failure of a major urban centre. Winnipeg, for example, dominates the Manitoba economy, employing nearly 64% of the provincial workforce and accounting for close to 80% of the province's economic activity.

Furthermore, it is increasingly understood that Canada's quality of life and economic health are linked to those of its major urban centres. This is particularly true as cities and their surrounding metropolitan areas become the main drivers of economic growth in Canada and generate progressively larger portions of the nation's jobs, income and output. This linkage, therefore, requires all levels of government to participate in the urban agenda and that the federal government, in particular, acknowledge the contribution urban centres make to the national

economy both by developing a renewed focus on urban issues and by supporting the diverse economies of Canada's urban centres.

The report explores a number of themes that could serve as guidelines for federal policy priorities in urban centres. These are summarized under the following headings:

Support, Flexibility, Responsiveness and Coordination: It is increasingly recognized that solutions to the problems faced by urban communities must come from within the communities themselves. This is a bottom-up rather than a top-down process. The most appropriate role for the federal government, therefore, would be to support locally-based and locally-defined priorities, efforts and solutions. This calls for the federal government to be flexible so that its policies and programs can be adjusted to meet locally-identified needs, coordinate efforts and cooperate across federal departmental and agency lines.

An Integrated Focus for Federal Initiatives: The traditional debate about whether the federal government should focus its funding on "place", "people" or "science" has overshadowed a recognition that these areas are interrelated. In the course of developing policy and making funding decisions, the federal government should acknowledge the interrelationship of these areas and articulate this in policy discussions. Perhaps more importantly, it could develop a more coherent policy focus and find new ways to simultaneously achieve economic, social and other policy goals.

Capacity building at the neighbourhood and even at the municipal level must be an essential element of any urban policy. The federal government could play a leadership role in promoting capacity building or, at the very least, recognize capacity building as an integral part of urban policy.

Assisting Cities to Become Competitive: It is increasingly recognized that cities must have a competitive strategy to prosper in today's national and global economic environment. The federal government could play a leadership role in promoting and fostering the development of urban competitive strategies. Federal government policies and programs could be modified where necessary to support such strategies.

Including a Focus on Identified Local Issues: Issues identified as priorities by the local community could be one of the focal points of federal policy. In Winnipeg, roundtable participants identified urban Aboriginal issues as an important concern. Participants agreed that if Winnipeg is to be a successful community, the issues affecting the city's Aboriginal population must be recognized as part of the urban agenda. Aboriginal people must be actively involved in defining issues relevant to their community and finding appropriate

solutions. This also involves the input and support of all levels of government, and would require that the federal government take a more coordinated, integrated and direct approach to urban Aboriginal issues.

Forging Partnerships: Partnerships are a key element in building successful urban centres. This includes partnerships across sectors, across issues, among people and across all levels of government. The federal government could support the creation of and be an active participant in urban partnerships.

Facilitating a Community Alignment Process: Communities wishing to meet the challenges and opportunities posed by the economic, social and demographic forces affecting them, sustain prosperity and improve their quality of life require a vision, a strategic plan and the resources to carry out the various elements of the plan. If the vision is to reflect the unique circumstances of the community, it must be developed within the community itself and engage the local business sector. This involves the sharing of ideas and perspectives, collaboration, consensus building and an alignment of often diverse and competing community interests. The federal government could have a role in facilitating such a community vision and alignment process.

Being a Good Neighbour in the Local Community: As a major employer and landowner, the federal government can have an important impact on a community's quality of life. A renewed federal urban agenda could emphasize the need for the federal government to be a good neighbour in the communities in which it maintains a presence.

GUIDELINES FOR FEDERAL POLICY PRIORITIES IN URBAN AREAS

A. Introduction

This report presents a number of policy guidelines as a basis for reviewing federal policy priorities in urban areas with a particular focus on Winnipeg. It combines research undertaken during past months and the views expressed at a roundtable on federal policy priorities in the Winnipeg area hosted by the Institute of Urban Studies of the University of Winnipeg. Western Economic Diversification Canada has commissioned this report as a way to promote dialogue on federal urban policy and, more specifically, its future focus in Winnipeg.

As background, the paper presents a profile of Winnipeg as an urban community in the context of the North American economy and outlines a number of the themes found in the current literature on North American cities. It also provides a brief overview of the respective role of federal government in relation to urban areas in Canada and the United States.

At the outset, it is important to note that there are a number of significant economic, social and demographic forces working to shape the future of Winnipeg. Globalization, advances in technology, the continued integration of North American markets fostered by the North American Free Trade Agreement (NAFTA) and a shift to information and knowledge-based industries are among the key economic forces affecting Winnipeg's economy and indeed the Canadian economy as a whole.

Social and demographic factors will also have an important impact on Winnipeg's future. Over half of Manitoba's population lives in Winnipeg. The city's Aboriginal population is growing, yet the Aboriginal community's participation in the workforce is relatively low. The population of Winnipeg is aging and many young people are leaving to seek employment elsewhere. The city is also facing a shortage of professionals and skilled workers.

Like other Canadian cities, Winnipeg has benefited from the economic resurgence of the past few years. New businesses have been created. There is a renewed interest in the central business district. The cultural and arts communities are thriving. But Winnipeg, like other cities, must address the challenges posed by the diverse forces affecting its future. Meeting these challenges, improving the quality of urban life and ensuring that the city can sustain and enhance prosperity by competing effectively in the national and global economies will frame many elements of the urban policy agenda in the years ahead.

B. Rationale for a Renewed Federal Focus on Urban Issues

This section explores the rationale for a renewed federal government focus on urban issues.

At one time, the federal government was actively involved in Canadian urban issues. This involvement, described in greater below, was centered largely on meeting the housing needs of Canadian veterans returning from World War II, urban renewal projects, support for social and assisted housing, neighbourhood improvement projects and building basic infrastructure.

The rationale for federal involvement was quite clear. Beginning in the 1940s and continuing into the 1970s, Canada underwent a period of rapid urbanization characterized by the growth of cities and their surrounding suburban areas, increased demand for housing, and the need for transportation and other infrastructure systems to support fast-growing urban populations. As the growth of Canadian cities intensified so did the problems associated with rapid growth. Federal involvement became critical as provincial and municipal governments of the time had neither the resources nor the political will to deal with many of the problems posed by urbanization.

In the late 1970s and early 1980s, however, much of this changed. Federal interest in urban issues waned in the wake of a recession and a changing relationship with the provinces.

Obvious and compelling reasons for past federal involvement in urban issues included rapid urbanization, meeting housing needs and building basic infrastructure. The reasons for federal involvement in such issues at the present time may be less clear. This is not to imply that such reasons do not exist nor is it to suggest that today's different circumstances are less compelling than those existing some 30 or 40 years ago. Rather it is to recognize that the rationale for federal involvement flows from the dynamic economic, social, demographic and environmental forces affecting Canadian cities and the role urban areas play in the national economy. Although quite different from the factors that shaped past federal involvement in urban issues, these forces are creating a new set of circumstances and impacts that are beyond the scope of any one level of government.

As noted earlier in the paper, there are a number of economic, social and demographic forces shaping the future of Canadian cities. These include globalization, the continuing integration of North American markets, technology advances, and the shift to information- and knowledge-based industries. Social and demographic factors such as inner city poverty, homelessness, urban sprawl, traffic congestion, an aging population, increased immigration and, in the

case of Winnipeg and other western Canadian cities, a rapidly growing Aboriginal population, are having an important impact on the future of urban centres. Decaying urban infrastructure and environmental concerns such as waste management, pollution, and clean water are also affecting urban environments. Although the impact of these factors is often most directly experienced in urban areas, they are also felt well beyond urban boundaries.

Urban areas are important centres of economic activity. Cities and their surrounding metropolitan areas are critical to regional and national economies. They are the main drivers of economic growth in Canada and are generating progressively larger portions of the nation's jobs, income and output. The sizes of metro area economies serve as evidence of their importance. A single metropolitan area can dominate the economy of a particular region. Winnipeg is a good example of this; the city dominates the Manitoba economy, employing nearly 64% of the provincial workforce and accounting for close to 80% of the province's economic activity.

Similarly, research shows that most of the economic activity in the United States is also centred in metropolitan areas. A recent study conducted by Standard and Poor's DRI for the U.S. Conference of Mayors and the National Association of Counties found that 317 "metropolitan economic engines" comprised of core cities, suburbs, surrounding counties and businesses located in them, drive U.S. economic growth. [1] The most recent data reveal that U.S. cities are witnessing job growth, accelerating business growth and steadily rising incomes. Growth in the high technology sector has been a major contributor to the economic gains enjoyed by many cities. [2]

Perhaps one of the most compelling reasons for the federal government to support urban centres is that they are the principal platforms for Canada's economic growth and development. As ever larger portions of the nation's income, output and wealth are created in and around urban areas, Canada, like the United States, is moving from a country of provincial/state-based realms of influence to a nation of metropolitan-based centres of influence. Increasingly, strong urban centres are recognized as critical to the continued economic vitality and success of the regions and, in some cases, the provinces they anchor. Their unique mixture of people, facilities, businesses, educational institutions and infrastructure fosters economic growth and promotes innovation. Innovation, in turn, is the basis for increasing productivity and generating wealth at both the local and national levels.

It is important to note, however, that the size and influence of urban economic platforms can vary. In some cases, they may encompass a central city and the surrounding metropolitan area. In others, they may extend well beyond the physical boundaries of a city or region. Although, for example, one can easily

refer to a Toronto-centred urban platform, it would be incorrect to limit one's description of this platform to the boundaries of the City of Toronto. The Toronto-based urban platform, in fact, includes the municipalities that make up the Greater Toronto Area and stretches beyond Oshawa in the east to miles west and north of the City of Toronto. In the prairies, where cities tend to be isolated, urban centres may have easily definable physical boundaries though their influence may extend over many sparsely populated subregions.

The Canadian urban agenda, like its U.S. counterpart, is multi-faceted. No one issue necessarily dominates the agenda and different cities may assign differing levels of importance to different issues. The issues are often interrelated and require concerted action on a number of fronts. This could mean improving the urban environment by dealing with environmental concerns such as clean air, clean water and waste management, reclaiming derelict land, putting efficient transportation systems in place, ensuring the availability of affordable housing, renewing decaying infrastructure, protecting open spaces and dealing with social issues such as poverty, homelessness, an aging population and the condition of Canada's urban Aboriginal population. It could also mean improving the business environment, creating a climate that fosters innovation and wealth creation, helping urban areas deal with the impact of globalization and make the transition to the New Economy, and investing in institutions that build the knowledge base and cultural assets of cities.

Participants at the Winnipeg roundtable were of the view that urban issues should be high on the national policy agenda. They noted that the federal government has been largely absent from the urban scene and called for a reversal of this trend. Participants pointed out that the nation's quality of life and economic health are inextricably linked to that of its major urban centres. This linkage makes it important that all levels of government participate in the urban agenda and that the federal government in particular acknowledge the contribution that urban centres make to the national economy. This may be accomplished both by developing a renewed focus on urban issues and by supporting the diverse economies of Canada's urban centres.

The research reveals that, in the United States, the federal government has both recognized the importance of American cities to the country's economic prosperity and determined that healthy, economically viable cities are the basis for economic success. The research also indicates that many cities in the United States are at a turning point. Crime has decreased, prosperity has increased, many downtown neighbourhoods are being revitalized, and investment and people are beginning to move back to the city. An urban renaissance of sorts is taking place. Considered for years to be undesirable and even hostile environments, many cities are now becoming exciting places in which to live, work and play. [3] By many accounts, these changes could not have been brought

about without a federal policy agenda that focused on urban issues. It is widely acknowledged that federal government support has been critical to several initiatives that have helped change the face of a number of American cities.

C. Guidelines for Federal Policy Priorities in Urban Areas

What guidelines should frame the federal role in, and set the tone for, federal policy priorities in urban areas? Seven guidelines emerged from the research undertaken and the roundtable discussions held in Winnipeg. They are:

1. Support, Flexibility, Responsiveness and Coordination
2. An Integrated Focus for Federal Initiatives
3. Assisting Cities to Become Competitive
4. Including a Focus on Identified Local Issues
5. Forging Partnerships
6. Facilitating a Community Alignment Process
7. Being a Good Neighbour in the Local Community

Each of these is discussed in this section. Other supporting background material is found in the sections D, E and F.

1. Support, Flexibility, Responsiveness and Coordination

Participants at the roundtable expressed clear support for a federal role in urban issues. But there was also a strongly held view that this role should not include setting the urban agenda or directing efforts to deal with urban issues. Participants felt that the most appropriate role for the federal government would be to support locally based and locally defined priorities, efforts and solutions. They emphasized the need for the federal government to be flexible in its approach and responsive to local urban concerns. Boiler plate, one-size-fits-all federal programs were seen as more problematic than helpful. There was also a general view that urban centres should not have to adapt their programs to qualify for federal assistance; rather the federal government should be flexible so that its policies and programs can be adjusted to meet specific, locally determined needs. This suggests a form of reverse onus where the federal government bears the burden of determining how it can align its resources to support local priorities.

The different characteristics, needs and priorities of Canada's cities argue for the development of a flexible approach to any new federal policy initiatives in urban areas and for the federal government to structure its policy objectives to meet the particular needs of each urban centre. A federal urban policy framework should emphasize support, flexibility, responsiveness, and meeting locally driven needs and priorities. Even when the challenges and concerns are similar, the characteristics of various urban environments may require differing approaches or differing focal points. As one observer noted, traffic congestion, urban sprawl and environmental issues may be pressing concerns in cities such

as Toronto and Montreal, but of lesser importance in Winnipeg where economic development, revitalizing decaying neighbourhoods and issues affecting the urban Aboriginal population are of greater significance.

Roundtable participants also emphasized the need for the federal government to coordinate its actions in urban areas and to cooperate across departmental and agency lines. This integrated approach flows from the view that to be effective, federal policy and programs relating to urban areas should reflect local needs rather than the organizational and reporting structures of the various federal departments and agencies.

2. An Integrated Focus for Federal Initiatives

How the federal government should focus its programs in urban areas is a question that generates considerable debate. This debate, which surfaced at the roundtable, to a certain extent reflects the traditional differences between those who believe that federal expenditures should be directed to a particular neighbourhood or business area where coordinated multi-level action is needed to effect change (for example, Winnipeg's central business district or Toronto's waterfront), those who believe that federal programs should focus on people (training, education, reducing poverty, homelessness), and those who believe that the federal government should direct its programs to support economic development through funding of science, research, and development and innovation. Proponents of the latter approach maintain that this spending focus generates wealth that will advance the urban economy as a whole, thereby creating sufficient economic momentum to benefit poorer, disadvantaged people and neighbourhoods.

Roundtable participants pointed out, however, that these areas are not mutually exclusive. Moreover, this debate does not necessarily require the federal government to choose between funding "place", funding "people", and funding "science". The debate implies that in the course of developing policy and making funding decisions the federal government should understand these competing pressures, recognize the interrelationship among them and articulate this in policy discussions. Perhaps more importantly, the federal government could develop a more coherent policy focus and find new ways to simultaneously achieve economic, social and other policy goals.

Participants noted that capacity building at the neighbourhood and even at the municipal level must be an important component of federal urban policy. There was a recognition that programs dealing with urban problems often fail to achieve their goals because there is a lack of capacity at the local community level. Participants called for the federal government to play a leadership role in

this regard or, at the very least, to recognize capacity building as an integral part of urban policy.

Capacity has been defined as "the ways and means needed to do what has to be done." It is broader than skills, people and plans and includes commitment, resources and the various things required to make a process successful. Capacity is often considered to have the following components: involved people; skills, knowledge and abilities; wellness and community health; ability to identify and access opportunities; motivation and the ability to carry out initiatives; infrastructure, supportive institutions and physical resources; leadership and the structures needed for participation; economic and financial resources; and enabling policies and systems.[4] It was noted that one of the reasons for the success of many of the American federal urban initiatives is the capacity building aspect of their delivery mechanisms.

3. *Assisting Cities to Become Competitive*

Economists such as Michael Porter maintain that cities must compete in the national and global economies. Porter argues that all cities must have a competitive strategy to prosper in today's economic environment. [5] Porter further contends that a city's prosperity is linked to its competitiveness which, in turn, depends on productivity. Competitiveness arises in clusters -- geographic concentrations of interconnected companies and institutions in a particular field that both cooperate and compete. [6] Clusters encompass industry competitors as well as suppliers, firms in related fields, educational institutions and support services. They produce competitive advantages that extend beyond single firms and promote high levels of productivity within the cluster. These include: critical mass, efficiencies of doing business that come from access to specialized suppliers, infrastructure and other resources and the exchange of information, data and technology. Clusters affect competitiveness by increasing productivity, driving the direction and pace of innovation and stimulating the formation of new businesses.

> *Competitiveness no longer depends on natural resources, cheap labor, the size of the home market or government spending. Competitiveness arises where a unique, critical mass of firms and expertise is present which fosters flexibility, efficiency, and innovation and with it rising productivity.* [7]

Porter believes that cities must have a 'clear competitive agenda that includes:

- investing in institutions that build their knowledge base and cultural assets;

- becoming inviting places where people and businesses concentrate;
- eliminating obstacles to productivity growth; and
- improving the business environment. [8]

What is a federal government's role in a city's competitive strategy process? There are at least three areas in which the federal government could have an important role. First, the federal government could play a leadership role in encouraging and fostering the development of urban competitive strategies. Second, it could assist in engaging the business community in a city's competitive strategy. Third, federal policies and programs could be adapted where necessary to support such strategies.

4. Including a Focus on Identified Local Issues

Issues identified as priorities by the local community could be one of the focal points of federal policy. In Winnipeg, roundtable participants identified urban Aboriginal issues as important concerns. Participants agreed that if Winnipeg is to be a successful community, the issues affecting the city's Aboriginal population must be recognized as part of the urban agenda. Indeed, Winnipeg has a unique opportunity to become a leader in urban Aboriginal policy and program development.

Participants were of the view that Aboriginal peoples must be actively involved in defining issues relevant to their community and finding appropriate solutions. This also involves the input and support of all levels of government. There was strong support for the federal government to take a more coordinated, integrated and direct approach to urban Aboriginal issues. This, for example, could include sponsoring a number of workshops, roundtables, forums, and seminars for the purpose of generating commitments and partnerships with Aboriginal peoples, municipal and provincial governments, the private sector and the volunteer sector to identify areas where immediate action could be undertaken and areas requiring a longer-term approach. This effort could build upon the strengths of the Aboriginal leadership in Winnipeg. It could also involve building capacity in the Aboriginal community.

Roundtable participants also pointed out that skills development and job training were particularly important in the Aboriginal community. Winnipeg has an untapped pool of unemployed Aboriginal people that could help to alleviate labour shortages.

5. *Forging Partnerships*

Another important policy theme stressed by roundtable participants was the importance of forging partnerships to build successful urban centres. This includes partnerships across sectors bringing together the private sector, non-governmental organizations, and governments. It involves partnerships across issues as people recognize that economic vitality and quality of life issues are intertwined and must be addressed together. It also involves partnerships among all levels of government. Such partnerships would require the federal government to play an active role in urban issues and to work directly with communities.

In an effort to facilitate partnerships, roundtable participants suggested that the federal government could, for example, provide assistance to build capacity in the local community and to develop partnerships and collaboration across jurisdictional lines and among interested parties. It could also work to establish pilot areas that would adopt a partnership approach to dealing with urban issues. Because of the success of measures such as the Winnipeg Core Area Initiative and the Winnipeg Development Agreement, Winnipeg could serve as a testing ground for new federal partnership initiatives.

6. *Facilitating a Community Alignment Process*

Communities wishing to meet the challenges and opportunities posed by the economic, social and demographic forces affecting them, sustain prosperity, and improve their quality of life require a vision, a strategic plan and the resources to carry out the various elements of the plan. If the vision is to reflect the unique circumstances of the community, it must be developed within the community itself. This involves sharing ideas and perspectives, collaboration, consensus building and an alignment of often diverse and competing community interests.

While it would appear that in urban centres such as Winnipeg there is no shortage of ideas about how to benefit the community, there is, however, no process in place to take those ideas to the next level, to turn them into a vision, develop a strategic plan and deliver solutions to the challenges the community identifies. Roundtable participants pointed out that community groups and cultural organizations must begin to think about how their particular plans and programs can benefit the community at large. This involves thinking outside their particular organizational framework, examining their impact at the community level and aligning interests to achieve common community goals. Participants

also noted that, at the present time, Winnipeg did not have full-time community leadership dedicated to facilitating a community alignment process.

Having a process devoted to facilitating regular discussions among community leaders, exchanging ideas, building consensus, establishing priorities and maximizing coordination and cooperation would appear to be critical to creating a vision, formulating and implementing a strategic plan and achieving the plan's objectives. The federal government could have an important role to play in facilitating such a community alignment process through commitments to the voluntary sector and through general efforts to promote consensus building and a cooperative climate. In Winnipeg, this could include working with the United Way in its community involvement and community agenda building initiative.

7. Being a Good Neighbour in the Local Community

The federal government manages buildings, land and assets in cities across Canada and has responsibility for large numbers of employees in many urban centres. This presence can have an important impact on a community's quality of life. The location of federal government buildings and offices, for example, can affect the character and economic vitality of a neighbourhood, just as the transportation methods used by large numbers of federal employees can affect traffic patterns and congestion.

A renewed federal urban agenda could emphasize the need for the federal government to be a good neighbour in the communities in which it maintains a presence. This might involve the federal government managing its assets and making location decisions that support local priorities and goals and encouraging its employees to use public transit. Winnipeg, for example, is attempting to revitalize its central business district; a good neighbour policy would require federal government departments to take this into consideration when making departmental accommodation decisions. Such a policy could also include developing sustainable practices that would serve as models for other organizations.

In the U.S., the federal government has made community stewardship an important priority. The federal Livable Communities Initiative calls upon the federal government to adopt a good neighbour policy in the communities in which

it operates. This requires it to ensure that its actions support community efforts to achieve livability goals, including:

- making strategic, regional location decisions such as locating in historic buildings and districts downtown;
- promoting community involvement and partnerships;
- offering transportation alternatives;
- investing in infill and urban locations; and
- seeking ways to leverage investment by forming partnerships with communities, other agencies and the private sector, and providing tax incentives.

D. Winnipeg – Profile [9]

Local studies have profiled Winnipeg and identified factors that are likely to have an impact on its socio-economic future. This information is summarized below.

With an estimated population of 677,625 in 1999 (59% of the population of Manitoba), Winnipeg is Canada's eighth-largest metropolitan area.[10] Once Canada's third-largest and fastest-growing city, Winnipeg has had only marginal population growth in recent years. Nevertheless, Winnipeg retains its status as Manitoba's economic centre. Well over half of the total provincial workforce (63.7%) is employed in the city. [11] Winnipeg has a strategic mid-continent location and is one of the most diversified economic centres in Canada. According to the recent analysis by Moody's Investors Service Inc., Winnipeg has the second-highest concentration of aerospace and consumer durables jobs in the country, the third-highest concentration of finance industry jobs, the fourth-highest concentration of transportation and cargo industry jobs and the sixth-highest concentration of insurance industry, real estate and textiles, leather and apparel industry jobs. [12] Winnipeg dominates the Manitoba economy in areas such as manufacturing, communications and the wholesale trade, business services, the finance, insurance and real estate sectors, accommodation and foodservice, and the amusement and recreation sectors. Key emerging industries include aerospace, agri-food, health industries, financial services, call centres, and information technology (IT). The film and audio industry, arts and culture sector, utilities and tourism are also experiencing growth. Despite its growth, however, Winnipeg's IT sector lacks critical mass and is not as well developed as that of other successful urban centres.

Demographic indicators reveal that Winnipeg's population is aging at a faster rate than that of Canada as a whole. When compared to four Canadian cities (Edmonton, Saskatoon, London and Calgary), Winnipeg has the highest percentage (12%) of population over 65. At the same time, it has the lowest percentage of population in the 20-34 age range. Of the Canadian cities surveyed, the average household income in Winnipeg is expected to grow at the lowest rate.

Winnipeg's overall population grew very little during the 1990s, and projected growth is expected to be below that of Edmonton, Saskatoon, London and Calgary. Winnipeg's Aboriginal population, however, is expected to increase 71% over a 25-year period, from 45,000 in 1991 to 76,800 in 2016. Now at 37% of the total provincial Aboriginal population, it is projected to rise to 40% by 2016. There has also been migration from the city centre as people move to suburbs or outlying towns and municipalities. Opinion is divided as to the reason for this migration; some maintain the majority of people are looking for a semi-rural

lifestyle while others point to lower municipal taxes in outlying communities as the driving force behind the migration. [13]

When compared with eight other North American cities,[14] Winnipeg has the third lowest location-sensitive costs (labour, utilities, interest and depreciation costs, taxes) after Edmonton and Saskatoon. Winnipeg has the lowest location-sensitive operating costs (electricity, transportation and labour) but the highest taxes of all surveyed cities, due in part to high property taxes. Winnipeg therefore enjoys a cost-advantage in industries where electricity and transportation are important cost components, but not in relation to businesses where these factors are of lesser significance.

A report to the Winnipeg Economic Profile Taskforce identified the following seven interrelated factors as likely to have an impact on Winnipeg's socio-economic future:

- Demographics -- aging population, the presence of a large Aboriginal population, negative migration from the city;
- Knowledge economy -- information, skilled employees, scientific and technical expertise and supplier bases are critical to attracting new businesses;
- Restructuring of the economy resulting from technology, mergers and consolidation;
- The workforce -- potential shortage of skilled workers, difficulty attracting people for senior positions;
- Image, perception and attitudes about the city -- negative image based upon a perception of a decaying downtown;
- Taxation -- high residential property tax;
- City leadership and governance -- the need to adopt a more pro-business attitude, having a functional infrastructure, sensitivity to the impact of policies and regulations on business, communicating a clear, consistent predictable vision for the city.

Winnipeg is facing many of the strategic challenges that are being encountered by other cities in Canada and the United States, two of the most important of which are making the transition to the New Economy and developing a national-level and global-level presence. Demographic challenges such as a rapidly aging population and the loss of young, skilled workers are likely to have a greater impact on Winnipeg than on other Canadian cities. Unique circumstances such as a growing Aboriginal population and decaying neighbourhoods pose particular challenges that will have to be addressed. Although development of land in fringe areas would appear to be less of a problem in Winnipeg than in other cities, there is a need for all levels of

government to partner in developing more sustainable patterns of land use and development.

E. Themes in the Literature on North American Cities

Important themes that have been documented in the recent literature on North American cities include:

1. The role of cities in national and regional economies
2. Developing competitive cities through innovation and cluster building
3. The link between the New Economy and the quality of urban life
4. Attributes of successful urban areas
5. The revival of American cities and the challenges they face (Urban revival/Urban challenges)

Each of these is briefly discussed below.

1. The Role of Cities in National and Regional Economies

The importance of cities in national and regional economies has been a recurring theme in the recent literature on the economies of North American cities. Cities and their surrounding metropolitan areas with their aggregation of people, services, businesses, educational institutions, and supporting infrastructure continue to be significant focal points for economic activity and development. In the U.S., they generate most of the nation's jobs, income and output. Their contribution to the U.S. national economy has increased markedly in recent years and is expected to continue for the next 25 years. [15]

Cities offer a number of competitive advantages such as large, diverse, accessible markets for companies providing goods and services to businesses and consumers, a diverse, educated workforce, the geographic concentration of transportation systems, a gateway between non-urban areas and the global economy, greater access to international markets and advanced telecommunications infrastructure. [16] These factors provide the institutional, economic and physical infrastructure that serve to promote economic activity.

The size of metro area economies is evidence of their importance. A single metropolitan area often dominates the economy of a particular province or state. In Minnesota, for example, the Minneapolis-St Paul metro area produces 65% of the state's output and employs 64% of the state's workforce.[17] Winnipeg's impact on the Manitoba economy is even greater; 63.7% of the employed provincial workforce works in the Winnipeg metro area, and the area accounts for close to 80% of the province's economic activity.

A recent article in *The Brookings Review* identified three classes of cities, namely global, national and regional, and three market types, namely

supercharged, vibrant and emerging.[18] A city can contain all three markets, and any type of market can be present in any class of city. Global cities (New York, London and Tokyo) are "epicenters of human activity that help drive the global economy". They are diverse, densely populated centres that foster cultural innovation, tourism and specialized information services such as financial services, medical, educational and health services. National cities (Chicago, Los Angeles, Washington D.C.) are "political, commercial or cultural capitals." They can resemble global cities but operate on a smaller scale or in limited commercial sectors. Regional cities are "smaller in size and sphere of influence than national cities" and have historically been the retail, commercial, banking, market and entertainment centres of a regional economy. Some regional centres may attain a national-level specialization in a particular field but overall they do not operate at the national level. [19]

The market power of cities is also affected by three types of markets operating within them: the supercharged market where market valuations exceed the national market average for metropolitan areas in the country; the vibrant market characterized by moderate to high price appreciation, a unique subculture and attributes or entertainment venues that attract area residents and tourists; and the emerging market performing below market potential but having the potential to make significant gains. [20]

Categorizing cities and markets in this way can facilitate a better understanding of their market power and help to define appropriate approaches to developing and strengthening their economies.

2. Developing Competitiveness through Innovation and Cluster Building

Economists such as Michael Porter are strong proponents of developing competitiveness through innovation and cluster building. Porter argues that a city's prosperity depends on its competitiveness. Competitiveness, in turn, depends on productivity and arises in clusters. [21]

The Standard and Poor's study of U.S. metro economies notes that metropolitan areas generate growth because they create industry clusters. The clustering of businesses and people in metropolitan areas reduces operating costs of suppliers for warehousing, transportation, communications and utilities. Concentrating industries in metropolitan areas also increases knowledge and technology transfers between companies, thereby increasing the level of innovation, regional economic growth and promoting cluster expansion. [22]

Clusters in numerous fields are found throughout the United States and Canada. High-technology clusters, for example, exist in California's Silicon

Valley and in Ottawa. Financial services are clustered in Toronto and New York. Winnipeg is an important venue for the grain trade, aerospace industries, and the apparel and transportation sectors and shows signs of establishing itself as a centre in the health sector.

Porter further maintains that all cities must have a well-defined competitive strategy. He argues that the challenge facing cities, particularly inner cities, must be redefined as the challenge of creating wealth and income rather than of reducing poverty. This notion echoes the observations of urbanologist Jane Jacobs who noted that metropolitan economies that work well are constantly transforming the poor into the middle class. Porter calls for cities to develop a competitive agenda that includes building the knowledge base and cultural assets of cities, improving the quality of urban life, fostering productivity growth, and improving the business environment. This approach recognizes the interrelationship of innovation, knowledge, economic growth and social factors such as culture and quality of life.

3. The Link between the New Economy and the Quality of Urban Life

Much has been written about the New Economy, yet the term is often misunderstood. It is usually synonymous with the high technology sector, computers, software development and dot-com companies. The New Economy, however, is not just related to high tech, computers or electronic commerce. It is broader in scope and encompasses

> *... a set of new sources of competitive advantage faced by all industries. The New Economy is about speed, quality, flexibility, knowledge, and networks. It is about applying knowledge and new ways of doing business to a wide range of products and services from agriculture and apparel to business services, retail and software.* [23]

The New Economy puts a significant value on "place" and community design. Assets, networks, culture and quality of life are critical to regional innovation. [24] As one report recently noted, the New Economy values economic regions that promote innovation and clustering, a distinctive quality of life to attract knowledge workers, vital centres that offer amenities, entertainment and cultural activities, speed and adaptability of decision-making by governments and preservation of the natural environment.[25] In the New Economy, economic growth and quality of urban life are complementary rather than competing values. Community assets such as open spaces, historic neighbourhoods, cultural activities and the arts attract jobs and economic development. Thus, "economic

vitality ... and quality of life, historic preservation and aesthetics all go hand in hand." [26]

Winnipeg has many of the quality of life assets that are essential to the New Economy. Roundtable participants noted that the city's vibrant cultural community, the historic Exchange District, The Forks, sports and entertainment venues and strong educational institutions are among the amenities and institutions valued in today's workplace. They identified building upon and promoting these assets and making the connection between economic development and quality of life as an important challenge and opportunity for the city.

4. Attributes of Successful Urban Areas

The economic and urban literature emphasizes that a city's ability to participate and indeed to compete successfully in the global economy will depend to a large extent on its ability to understand its strengths and weaknesses, meet new challenges, construct and maintain an effective platform for economic activity and build its market niche.

A successful urban platform is generally recognized as having the following attributes:

- a skilled and educated workforce;
- adequate infrastructure such as transportation, telecommunication and distribution networks;
- a safe, livable community where quality of life is important, including the presence of high-quality health care, educational institutions, entertainment venues, open spaces, and vibrant cultural institutions;
- the ability to recognize and build upon a city's competitive assets, foster innovation, build networks and develop industry clusters;
- the ability to conduct leading-edge research and development;
- partnerships and collaborative efforts by all levels of government, the private sector and the volunteer sector.

The need for collaboration to create a successful urban platform that realizes a city's economic potential is an important theme in the literature. Local governments cannot and indeed should not have to bear the sole responsibility for this task which involves community leadership, partnerships and cooperation among all levels of government, business and society and working across jurisdictional lines.

5. Urban Revival/Urban Challenges

The urban literature indicates that, for the first time in decades, U.S. cities are undergoing a revival. There are good news stories about American cities. Poverty and violent crime are decreasing and employment is increasing. Cities have benefited from a thriving economy. Many downtowns are undergoing a rebirth as centres for tourism, sports, entertainment and the arts. Central cities are witnessing investment in downtown and inner city neighbourhoods and there is a renewed interest in downtown living. Most American cities have stronger balance sheets today than they had some ten years ago. [27]

In the U.S., urban mayors are taking a leadership role in spearheading renewal efforts in their communities. New partnerships among all levels of government, the private sector, community groups and the volunteer sector have been instrumental to successful community renewal efforts. Effective revitalization efforts are now operating on a smaller scale than the large programs of the past. Their focus is more local and they address issues in a more comprehensive and integrated way.

Despite recent gains and a generally positive outlook, cities continue to face many challenges. Middle-income families are still moving to the suburbs, and the poor remain concentrated in cities and older suburbs. Cities are also facing gaps in jobs, education and housing. In a study released in June 2000, the U.S. Department of Housing and Urban Development identified four "megaforces" that are shaping the future of America's cities and will frame the challenges for the U.S. urban policy agenda. The first is the "high-tech, global economy". Even though many cities have made significant economic gains from high-tech, most of the high-tech jobs have been created in the suburbs. The second is the demographic shift posed by increased immigration and an aging society. The third is the housing crisis resulting from dramatic increases in rent and housing costs. As the economy surges, housing in many urban centres has become unaffordable even for middle-class families. The final trend is decentralization as jobs and people continue to move to the edge of metropolitan areas. Advances in information technology, along with rising incomes, population growth and infrastructure spending focusing on new roads, continue to drive residential and business development towards the fringes of metropolitan areas. Growing land consumption has the potential to undermine the quality of life in cities and suburban areas. [28]

F. Overview of the Federal Role in Canada and the United States in Relation to Urban Areas

1. Canada

Although Canadian municipalities fall under provincial jurisdiction, the federal government can influence the direction, character and development of local economies through a number of policies and programs. The nature and impact of the federal government's role on local communities such as Winnipeg, however, is not particularly well understood.

Early interventions by the federal government in areas that had a direct impact on the shape of cities began in the 1930s when it assumed almost exclusive responsibility for housing programs. The creation of the Central Mortgage and Housing Corporation (CMHC, now the Canada Mortgage and Housing Corporation) and the passage of the *National Housing Act* in the 1940s gave the federal government an important role in promoting community planning and providing funding for public housing. From the early 1950s when CMHC was given authority to provide insurance for privately arranged mortgages, proposals to build houses became conditional on their inclusion in a city plan. Through CMHC, the federal government was eventually funding urban renewal projects and providing financial assistance to municipalities for urban infrastructure.

During the 1970s, CMHC expanded the range of its activities, becoming increasingly involved with social and assisted housing. The early 1970s also saw the creation of the federal Ministry of State for Urban Affairs to focus federal attention on urban issues.

In addition to programs directed to housing, infrastructure and urban issues, federal policies and programs at the broad national level in relation to agriculture, airports, transportation, health care, post-secondary education, children, social services, Aboriginal peoples, the military, the location of government facilities, employment and training, research and innovation, and regional development have had an impact on urban areas in Canada.

Over the last 20 years, however, there has been a significant reduction in the level of federal government involvement in urban issues. Cutbacks were made to federal contributions for affordable housing and infrastructure while other federal programs were cancelled. The Ministry of State for Urban Affairs was disbanded (1979) in the wake of a declining economy and a refocusing of government attention on other matters. The changing dynamics that characterized federal-provincial relations during this period also helped bring about the decline in federal involvement. Among other things, the diminished federal role resulted in the further decay of infrastructure and housing in urban

areas. Overall, urban policy has been noticeably absent from the federal policy agenda.

In the mid-1990s, however, a series of infrastructure and economic development agreements provided federal funding for a number of programs that have implications for urban areas. In Manitoba, the infrastructure agreements included the tri-partite Canada-Manitoba Infrastructure Works Program and its successor, the Canada-Manitoba Infrastructure Agreement. The former was established in January 1994 as a three-way partnership between the federal government, the Manitoba government and local partners (usually municipal governments), with each level contributing $68.2 million for a total of $204.6 million. A program top-up in 1997 provided an additional $41 million in funding. The Canada-Manitoba Infrastructure Works Program, signed in October 2000, will provide a total of $182.75 million ($60.9 million from each of the federal, provincial and municipal governments or community organizations) over the next six years for infrastructure projects. The majority of the projects to be funded will be selected from proposals submitted by municipalities.

The federal government also participates in regional economic development agreements. In Manitoba, the most recent of these is the Canada-Manitoba Economic Development Partnership Agreement. This agreement, which operates from 1998 through March 2002, is intended to direct a total of $40 million ($20 million by each level of government) to projects designed to expand the international competitiveness of Manitoba's key growth sectors, commercializing new technologies, assisting small and medium-sized businesses and entrepreneurs to enhance their business expertise, enhancing the long-term economic self-sustainability of rural and urban communities, and increasing tourism potential.

Western Economic Diversification Canada (WD) is responsible for administering these agreements for the federal government.

In addition to these broader programs, the federal government participates in programs specifically directed to the City of Winnipeg. These include:

- the Winnipeg Core Area Initiative -- a tri-partite agreement with the provincial government and the City of Winnipeg initiated in 1981 and renewed in 1986 for a further six years to deliver programs to revitalize Winnipeg's inner city and improve economic opportunities for Core Area residents. Among other things, the Core Area Initiative provided industrial development support, housing incentives, and funding for training and employment, strategic capital projects such as The Forks, the north of Portage Avenue redevelopment, and neighbourhood and community development.

- the Winnipeg Development Agreement -- a tri-partite agreement (ending in 2001) with the provincial government and the City of Winnipeg that pools $75 million for a number of projects in the areas of community development and security, labour force development, and strategic and sectoral investments. [29] WD coordinates federal participation including that of Human Resources Development Canada (HRDC) and Canadian Heritage in this agreement.

- the Winnipeg Housing and Homelessness Initiative -- a three-year tri-partite (federal, provincial and municipal) program to address declining housing stock, homelessness and the rehabilitation of Winnipeg's older neighbourhoods. WD, HRDC and CMHC are the federal participants in this program.

- The Forks North Portage Partnership -- an urban development corporation owned by Canada, Manitoba and Winnipeg and responsible for the ownership, management and continuing development of The Forks and the North Portage Neighbourhood.

In addition to its role under a number of these tri-partite agreements, WD delivers programs and services designed to promote economic development in Western Canada. Most of these are available in Winnipeg, including the Canada-Manitoba Business Service Centre, the Women's Enterprise Centre, WD Client Services, the International Trade Personnel Program, First Jobs in Science and Technology, loan funds in partnership with financial institutions such as the Business Development Bank and Assiniboine Credit Union and an array of strategic initiatives under the Western Diversification Program.

Finally, a number of other federal departments and agencies contribute to growth and development through their respective programs. The most significant of these include Human Resources Development Canada, Canada Customs and Revenue Agency, National Research Council, Industry Canada, Indian and Northern Affairs Canada, Health Canada, Transport Canada, Agriculture and Agri-Food Canada, the Canadian Wheat Board and the Canadian Grain Commission.

2. United States

In Canada, the past two decades have seen a significant and sustained decline in federal government involvement in urban issues. In the United States, by contrast the once declining federal role has been transformed into active involvement in the urban agenda. Unlike in Canada where the linkages between the federal government and municipal governments tend to be indirect, there are important direct linkages between the U.S. federal government and American

cities. The strong American federal presence has been attributed in part to programs such as Urban Renewal and the lack of state political will to become involved in urban affairs. Over several decades there has been substantial federal involvement in housing programs and in funding local public housing authorities and mass transit. On a less positive note, though no less significant, was the federal underwriting of the interstate highway system which, according to many accounts, has been a major contributor to the growth of suburban America, urban sprawl and the depopulation and decline of American inner cities.

At a regional level, federal programs in areas such as water distribution, irrigation and power projects have helped to spawn the growth of cities in the U.S. West and Southwest -- two of the fastest growing areas of the country. Other federal programs focusing on housing, transportation, infrastructure support and development, crime prevention, education, job training and placement, the environment and fiscal assistance have had important impacts on urban areas.

U.S. federal urban policy is based on the following principles:

- bottom-up solutions built on partnerships with states, local governments and community-based organizations;
- reinvention of federal programs to make them more responsive;
- partnerships with the private sector;
- development of both people-based and place-based solutions. [30]

The policy is composed of four broad components:

- assisting people and places to make the transition to the New Economy (increasing access to capital and credit, bridging the digital divide, investing in workforce development, education and job training);

- addressing the crisis in affordable housing (reforming affordable housing programs, building and renewing housing, expanding home ownership);

- addressing diversity and a changing/aging population (programs for the elderly and people with special needs, programs to fight discrimination);

- building safe and livable communities (managing growth, encouraging smart growth/regional planning, protecting open spaces, accelerating brownfields clean-up, expanding transportation choices, providing financing tools). [31]

Among the fe ral departments and agencies delivering federal urban programs are Housing and Urban Development, Treasury, Transportation, Small

Business Administration, Labor, Health and Human Services, Environmental Protection Agency, Justice and Education.

The Community Empowerment Agenda is a significant aspect of U.S. federal urban policy. A broad initiative that recognizes that each city has its own agenda and that the role of the federal government is to work with local communities, the Empowerment Agenda's main components include:

- increasing home ownership in the inner city and improving housing quality;
- improving welfare-to-work initiatives;
- increasing safety and reducing crime;
- cleaning the urban environment;
- increasing educational opportunities; and
- providing financial assistance to small businesses in urban areas.

Included in this is the Empowerment Zone/Enterprise Community Initiative. This program takes a bottom-up approach by requiring a local strategic plan that addresses economic concerns and social service needs. It also requires investment commitments from the private sector. Communities designated as EZ or EC areas are eligible for direct grants, loans and tax incentives from the federal government.

One of the most recent federal initiatives affecting urban areas is the Livable Communities Initiative launched in the late 1990s and revised in June 2000. [32] The Initiative embraces the concept of smart growth. Smart growth recognizes connections between economic development and quality of life and seeks to leverage new growth to improve the community. It represents efforts to promote development patterns that are economically smart because they build on past investments in existing communities, environmentally smart because they foster the development of derelict land (brownfields), reduce threats to air quality, water quality and open space, and reduce the impact of natural disasters and socially smart because they promote economic opportunity, equitable development and encourage a sense of community. [33]

The Livable Communities Initiative is based on three principles:

- communities know best -- the federal government should respect the value of local decisions and not insert itself into inherently local matters;

- collaboration -- there should be partnerships across local geography, and among communities, regions, the state and federal governments;

- reinventing the federal government -- integrating policies to support locally-driven efforts. [34]

The Initiative outlines a 30-point package of policy initiatives and partnerships in areas such as revitalizing existing communities, expanding economic opportunity, providing more transportation choices, smart growth training and community partnerships. The Community Partnerships Initiative, for example, establishes pilot areas, some of which are mid-sized cities, to demonstrate how the federal government can best align its resources to support local efforts.

Endnotes

[1] Standard & Poor's DRI, *U.S. Metro Economies: Leading America's New Economy*, Prepared for the United States Conference of Mayors and the National Association of Counties, 2000, referred to in a Report from the Clinton-Gore Administration, *Building Livable Communities*, June 2000, p. 21. http://www.livablecommunities.gov

[2] U.S. Department of Housing and Urban Development, *The State of the Cities 2000*, June 2000. p. iv-v. http://www.huduser.org/publications/polleg/tsoc2000.html

[3] The Council for Investment in the New American City, *A Report on the Changing Realities of Cities*, October 2000, p. 6. This document is available at http://www.usmayors.org/uscm/news/press_releases/documents/mba/mba.htm

[4] Flo Frank and Anne Smith, *The Community Development Handbook: A Tool to Build Community Capacity*, Human Resources Development Canada, 1999, p. 10.

[5] Michael E. Porter, "The Next Agenda for America's Cities: Competing in a Global Economy", First Annual James W. Rouse Lecture, 1997, p. 1-2. http://www.rouseforum.org/fr_rouselecture.html

[6] *Ibid.*, p. 3

[7] *Ibid.*

[8] *Ibid.*, p. 4.

[9] Unless otherwise indicated, the information in this section has been taken from the study, *The Winnipeg Economy - Strategic Research Initiative, Report to the Winnipeg Economic Profile Taskforce*, prepared by KPMG and commissioned by Economic Development Winnipeg, 1999.

[10] Statistics Canada estimates the population of the Winnipeg Census Metropolitan area to be 677,625 as of July 1, 1999. The Winnipeg Census Metropolitan Area includes Winnipeg and Headingly plus the following rural municipalities: East St. Paul, Ritchot, Rosser, St. François Xavier, Springfield, Taché and West St. Paul.

[11] Economic Development Winnipeg, Socio-Economic Indicators 1999, June 2000.

[12] Moody's Investors Service Inc., *Gauging Economic Diversity in Canadian CMBS*, October 20, 2000, p. 12-16. The Moody's analysis captures three dimensions of economic diversity: industry mix, CMA-level (Census Metropolitan Area) diversity and geographic dispersion. The three elements were compiled into a composite score. The analysis focuses on the combination of industries in a local economy compared to the combination of industries in the national economy. In examining the concentration of industries, Moody's looked at the share of local employment in a particular sector in a city and compared that to the share of employment in the same sector in the national economy.

[13] Capital Region Review, *Final Report of the Capital Region Review Panel*, December 1999, p. 28.

[14] The cities compared were Winnipeg, Columbus, Raleigh, Minneapolis, Colorado Springs, Saskatoon, Edmonton, London and Calgary.

[15] Standard & Poor's DRI, *U.S. Metro Economies: Leading America's New Economy*, Prepared for the United States Conference of Mayors and the National Association of Counties, 2000, p. 8.

[16] *Ibid.*, p. 16-22.

[17] *Ibid.*, p. 9.

[18] Franklin D. Raines, "Playing from Strength, The Market Power of Cities", *The Brookings Review*, Summer 2000 Vol. 18 No.3, pages 14-17.
http://www.brookings.edu/press/REVIEW/summer2000/raines.htm

[19] *Ibid.*, p. 15.

[20] *Ibid.*, p. 15-16.

[21] Porter, "The Next Agenda for America's Cities: Competing in a Global Economy" (1997).

[22] *U.S. Metro Economies: Leading America's New Economy* (2000) p. 22.

[23] Doug Henton and Kim Walesh, *Linking the New Economy to the Livable Community*, April 1998, p. 4.

[24] Report prepared by Collaborative Economics and sponsored by The Heinz Endowments, Pittsburgh Regional Alliance and Innovation Works, Inc., *Innovative Regions: The Importance of Place and Networks in the Innovative Economy*, October 1999, p. 15.

[25] *Linking the New Economy to the Livable Community* (1998), p. 24.

[26] Roberta Brandes Gratz with Norman Mintz, *Cities Back from the Edge*, John Wiley & Sons, Inc. (1998), p. 236.

[27] The Council for Investment in the New American City, *A Report on the Changing Realities of Cities* (October 2000), p. 6.

[28] *The State of the Cities 2000* (June 2000), p. i-ii.

[29] The Community Development and Security component seeks to promote a safe, productive, and healthy community as the foundation for continued economic development. Support is available for individuals, families, community groups, and neighbourhoods. The Labour Force Development program seeks to promote the development and utilization of a skilled labour force in Winnipeg. Target groups include social assistance recipients, older displaced workers, young people with post-secondary education or training who are unable to find suitable jobs, other youth, single parents, and Aboriginal people. The Strategic and Sectoral Investments component promotes an active and competitive economy to position Winnipeg for economic growth in the global economy. It aims to build on the city's traditional and emerging strengths in areas such as transportation, information technology, small business, and tourism as well as sectors associated with Winnipeg's cultural diversity and heritage.

[30] Alan F. J. Artibise, Ph.D. *Multiple Realities: The Role of the U.S. Federal Government in Revitalizing American Cities*, Overhead Presentation, November 16, 2000.

[31] *Ibid.*

[32] *Building Livable Communities* (June 2000).

[33] *Ibid.*, p. 15.

[34] *Ibid.*, p. 23.

Annex 1

Federal Priorities in the Winnipeg Area
Discussion Themes

Institute of Urban Studies
Roundtable on Federal Policy Priorities in the Winnipeg Area
November 16, 2000

FEDERAL POLICY PRIORITIES IN THE WINNIPEG AREA
DISCUSSION THEMES

Introduction

The purpose of this paper is to provide a context for discussions about federal policy priorities in urban centres with a particular focus on Winnipeg. Along with additional research and the views expressed at the roundtable hosted by the Institute of Urban Studies, this document will form the basis of a policy paper that will be provided to Western Economic Diversification Canada.

To facilitate the discussions, the paper presents a profile of Winnipeg as an urban community within the context of the North American economy and outlines some of the themes found in the current literature about North American cities. It also provides a brief overview of the federal role in relation to urban areas in Canada and the United States. The paper concludes with suggested questions and a list of Web sites where additional information on urban issues can be found.

At the outset, it is important to note that there are a number of significant economic, social and demographic forces working to shape the future of Winnipeg. Globalization, advances in technology, the continued integration of North American markets fostered by the North American Free Trade Agreement (NAFTA) and a shift to information and knowledge-based industries are among the key economic forces affecting Winnipeg's economy and indeed the Canadian economy as a whole.

These same economic forces are having an impact on the U.S. economy. The shift to information- and knowledge-based industries has been an important driver of the recent economic expansion in the United States. Research shows that the bulk of this activity has been centered in metropolitan areas. A study conducted by Standard and Poor's DRI for the U.S. Conference of Mayors and the National Association of Counties in 1999 found that 317 "metropolitan economic engines" comprised of core cities, suburbs, surrounding counties and businesses located in them, drive American economic growth.[1] The most recent data reveal that U.S. cities are witnessing job growth, accelerating business growth and steadily rising incomes. High technology growth has been a major contributor to the economic gains enjoyed by many cities.[2]

Social and demographic factors are also likely to have an important impact on Winnipeg's future. Over half of Manitoba's population lives in Winnipeg. The city's Aboriginal population is growing. The population of Winnipeg is aging and many young people are leaving to seek employment elsewhere.

Local studies have profiled Winnipeg and identified factors that are likely to have an impact on its socio-economic future. This information is summarized below.

Winnipeg – Profile [3]

With an estimated population of 677,625 in 1999 (59% of the population of Manitoba), Winnipeg is Canada's eighth-largest metropolitan area. [4] Once Canada's third-largest and fastest-growing city, Winnipeg has had only marginal population growth in recent years.

Nevertheless, Winnipeg has retained its status as Manitoba's economic centre. Well over half of the total provincial workforce (63.7%) is employed in the city. [5] Winnipeg has a strategic mid-continent location and is one of the most diversified economic centres in Canada. According to the recent analysis by Moody's Investors Service Inc., Winnipeg has the second-highest concentration of aerospace and consumer durables jobs in the country, the third-highest concentration of finance industry jobs, the fourth-highest concentration of transportation and cargo industry jobs and the sixth-highest concentration of insurance industry, real estate and textiles, leather and apparel industry jobs. [6] Winnipeg dominates the Manitoba economy in areas such as manufacturing, communications and the wholesale trade, business services, the finance, insurance and real estate sectors, accommodation and foodservice, and the amusement and recreation sectors. Key emerging industries include aerospace, agri-food, health industries, financial services, call centres, and information technology (IT). The film and audio industry, arts and culture sector, utilities and tourism are also experiencing growth. Despite its growth, however, Winnipeg's IT sector lacks critical mass and is not as well developed as that of other successful urban centres.

Demographic indicators reveal that Winnipeg's population is aging at a faster rate than that of Canada as a whole. When compared to four Canadian cities (Edmonton, Saskatoon, London and Calgary), Winnipeg has the highest percentage (12%) of population over 65. At the same time, it has the lowest percentage of population in the 20-34 age range. Of the Canadian cities surveyed, the average household income in Winnipeg is expected to grow at the lowest rate.

Winnipeg's population grew very little during the 1990s and projected growth is expected to be below that of Edmonton, Saskatoon, London and Calgary. Winnipeg's Aboriginal population, however, is expected to increase 71% over a 25-year period, from 45,000 in 1991 to 76,800 in 2016. Now at 37% of the total provincial Aboriginal population, it is projected to rise to 40% by 2016. There has also been migration from the city centre as people move to suburbs or outlying towns and municipalities. Opinion is divided as to the cause of this outward migration; some maintain the majority of people are looking for a semi-

rural lifestyle while others point to lower municipal taxes in outlying communities as the driving force behind the migration. [7]

When compared with eight other North American cities, [8] Winnipeg has the third-lowest location-sensitive costs (labour, utilities, interest and depreciation costs, taxes) after Edmonton and Saskatoon. Winnipeg has the lowest location-sensitive operating costs (electricity, transportation and labour) but the highest taxes of all surveyed cities, due in part to high property taxes. Winnipeg therefore enjoys a cost-advantage in industries where electricity and transportation are important cost components, but not in relation to businesses where these factors are of lesser significance.

A report to the Winnipeg Economic Profile Taskforce identified the following seven interrelated factors as likely to have an impact on Winnipeg's socio-economic future:

- Demographics -- aging population, the presence of a large Aboriginal population, negative migration from the city;
- Knowledge economy -- information, skilled employees, scientific and technical expertise and supplier bases are critical to attracting new businesses;
- Restructuring of the economy resulting from technology, mergers and consolidation;
- The workforce -- potential shortage of skilled workers, difficulty attracting people for senior positions;
- Image, perception and attitudes about the city -- negative image based upon a perception of a decaying downtown;
- Taxation -- high residential property tax; and
- City leadership and governance -- the need to adopt a more pro-business attitude, having a functional infrastructure, sensitivity to the impact of policies and regulations on business, communicating a clear, consistent predictable vision for the city.

Winnipeg is facing many of the strategic challenges that are being encountered by other cities in Canada and the United States. But unique circumstances and trends such as a large aging population, a rapidly growing Aboriginal population, a decaying downtown and the outward migration of young skilled workers also challenge Winnipeg.

Major Themes in the Literature on North American Cities

The importance of cities in national and regional economies has been a recurring theme in some of the recent literature on North American cities. Cities and their surrounding metropolitan areas with their aggregation of people, services, businesses, educational institutions, and supporting infrastructure continue to be the significant focal points for economic activity and development.

The literature emphasizes that a city's ability to participate and indeed to compete successfully in the global economy and the North American market will depend to a large extent on its ability to construct and maintain an effective platform for economic activity.

A successful urban platform is generally recognized as having the following attributes:

- a skilled and educated workforce;
- adequate infrastructure such as transportation, telecommunication, and distribution networks;
- a safe, livable community with quality health care, educational institutions and vibrant cultural institutions;
- the ability to build upon a city's competitive assets and develop industry clusters;
- the ability to conduct leading edge research and development; and
- partnerships and collaborative efforts by all levels of government, the private sector and the volunteer sector.

Each of these has to be addressed in the context of Winnipeg.

Developing competitiveness through cluster building and the notion that economic growth and quality of urban life issues are complementary rather than competing values are two examples of themes in the literature on successful cities. The first is emphasized in the writings of Michael Porter,[9] the second by authors such as Roberta Brandes Gratz. [10]

Michael Porter argues that a city's prosperity depends on its competitiveness. Competitiveness, in turn, depends on productivity and arises in clusters -- geographic concentrations of interconnected companies and institutions in a particular field that both cooperate and compete. Clusters encompass industry competitors as well as suppliers, firms in related fields, educational institutions and support services. They produce competitive advantages that extend beyond single firms and promote high levels of productivity within the cluster. These include: critical mass, efficiencies of doing business that come from access to specialized suppliers, infrastructure and other resources and the exchange of information, data and technology. Clusters affect competitiveness by increasing productivity, driving the direction and pace of innovation and stimulating the formation of new businesses. [11]

Clusters in numerous fields are found throughout the United States and Canada. High-technology clusters, for example, exist in California's Silicon Valley and in Ottawa. Financial services are clustered in Toronto and New York. Winnipeg is an important venue for the grain trade, aerospace industries, and the apparel and transportation sectors and shows signs of establishing itself as a centre in the health sector.

Porter further maintains that all cities must have a well-defined competitive strategy. He argues that the challenge facing cities, particularly inner cities, must be redefined as the challenge of creating wealth and income rather than of reducing poverty. Porter calls for a clear competitive agenda that includes:

- investing in institutions that build the knowledge base and cultural assets of cities;
- helping cities to become inviting places where people and businesses concentrate;
- eliminating obstacles to productivity growth; and
- improving the business environment.

This approach recognizes the interrelationship of innovation, economic growth and socio-economic factors.

In her 1989 book, *The Living City*, Roberta Brandes Gratz introduced the concept of Urban Husbandry, which she defines as the care, maintenance and conservation of the built environment. Urban Husbandry treats economic development as a process rather than an end product. It places value on creative dispersed upgrading and draws heavily on community-based development.

Gratz maintains that innovation and economic vitality are key to positive urban change. Drawing on the works of Jane Jacobs, (*The Death and Life of Great American Cities* and *The Economy of Cities*) Gratz and her co-author Norman Mintz argue that "economic vitality ... and quality of life, historic preservation and aesthetics all go hand in hand." [12] In *Cities Back from the Edge*, Gratz and Mintz address a number of the key issues facing U.S. cities, such as transportation planning, sprawl containment, and the preservation of the components essential to maintaining viable communities. They argue that big development does not necessarily mean bad just as small development does not automatically signify good. The yardstick against which downtown change should be measured is "genuine communal value". In other words, how does a use, project, building or business fit into the physical, social and economic structure of a place?

From these writings it is clear that creating a successful urban platform that realizes a city's economic potential is a collaborative effort. It is not, and indeed cannot be, the sole responsibility of local governments. It involves partnerships and collaboration among all levels of government, business and society.

Although Canadian municipalities fall under provincial jurisdiction, the federal government has influence in the direction, character and development of local economies through a number of policies and programs. The nature and impact of the federal government's role on local communities such as Winnipeg,

however, is not particularly well understood. Furthermore, this role has not been examined in the context of its effectiveness in assisting Winnipeg to develop and support a competitive strategy, build its competitive assets and construct a successful platform to sustain and grow the city and compete in North American and global markets. As Winnipeg strives to develop a vibrant economic, physical and social environment, it is opportune to examine the role of the federal government in these efforts and develop themes to guide its decision-making and priority setting.

Overview of the Federal Role in Canada and the United States in Relation to Urban Areas

Canada

Early interventions by the federal government in areas that had a direct impact on the shape of cities began in the 1930s when it assumed almost exclusive responsibility for housing programs. The creation of the Central Mortgage and Housing Corporation (CMHC, now the Canada Mortgage and Housing Corporation) and the passage of the *National Housing Act* in the 1940s gave CMHC an important role in promoting community planning and providing funding for public housing. From the early 1950s when CMHC was given authority to provide insurance for privately arranged mortgages, it made proposals to build houses conditional on their inclusion in a city plan. Eventually through CMHC, the federal government was funding urban renewal projects and providing financial assistance to municipalities for urban infrastructure.

During the 1970s, CMHC expanded the range of its activities, becoming increasingly involved with social and assisted housing. The early 1970s also saw the creation of the federal Ministry of State for Urban Affairs to focus federal attention on urban issues.

In addition to programs directed at housing, infrastructure and urban issues, federal policies and programs at the broad national level in relation to agriculture, airports, transportation, health care, post-secondary education, children, social services, Aboriginal peoples, the military, the location of government facilities, employment and training, research and innovation, and regional development have had an impact on urban areas in Canada.

Over the last 20 years the federal government has scaled down its involvement in urban issues. Cutbacks were made to federal contributions for affordable housing, infrastructure and other programs. The Ministry of Urban Affairs was disbanded (1979) in the wake of a declining economy and a refocusing of government attention on other matters. Among other things, the declining federal role has resulted in the further decay of infrastructure and housing in urban areas.

In the mid-1990s, however, a series of infrastructure and economic development agreements provided federal funding for a number of programs. In Manitoba, the infrastructure agreements included the tri-partite Canada-Manitoba Infrastructure Works Program and its successor, the Canada-Manitoba Infrastructure Agreement. The former was established in January 1994 as a three-way partnership between the federal government, the government of Manitoba and local partners (usually municipal governments), with each level contributing $68.2 million for a total of $204.6 million. A program top-up in 1997 provided an additional $41 million in funding. The Canada-Manitoba Infrastructure Works Program, signed in October 2000, will provide a total of $182.75 million ($60.9 million from each of the federal, provincial and municipal governments or community organizations) over the next six years for infrastructure projects. The majority of the projects to be funded will be selected from proposals submitted by municipalities.

The federal government also participates in regional economic development agreements. In Manitoba, the most recent of these is the Canada-Manitoba Economic Development Partnership Agreement. This agreement, which operates from 1998 through March 2002, is intended to direct a total of $40 million ($20 million by each level of government) to projects designed to expand the international competitiveness of Manitoba's key growth sectors, commercializing new technologies, assisting small and medium-sized businesses and entrepreneurs to enhance their business expertise, enhancing the long-term economic self-sustainability of rural and urban communities, and increasing tourism potential.

Western Economic Diversification Canada (WD) is responsible for administering these agreements for the federal government.

In addition to these broader programs, the federal government participates in programs specifically directed to the City of Winnipeg. These include:

- the Winnipeg Core Area Initiative -- a tri-partite agreement with the provincial government and the City of Winnipeg initiated in 1981 and renewed in 1986 for a further six years to deliver programs to revitalize Winnipeg's inner city and improve economic opportunities for Core Area residents. Among other things, the Core Area Initiative provided industrial development support, housing incentives, and funding for training and employment, strategic capital projects such as The Forks, and neighbourhood and community development.

- the Winnipeg Development Agreement -- a tri-partite agreement (ending in 2001) with the provincial government and the City of Winnipeg that pools $75 million for a number of projects in the areas of community development and security, labour force development, and strategic and sectoral investments. [13] WD coordinates federal participation in this agreement.

- the Winnipeg Housing and Homelessness Initiative -- a three-year tri-partite (federal, provincial and municipal) program to address declining housing stock, homelessness and the rehabilitation of Winnipeg's older neighbourhoods.

- The Forks North Portage Partnership -- an urban development corporation owned by Canada, Manitoba and Winnipeg and responsible for the ownership, management and continuing development of The Forks and the North Portage Neighbourhood.

In addition to its role under a number of these tri-partite agreements, WD delivers programs and services designed to promote economic development in Western Canada. Most of these are available in Winnipeg, including: the Canada-Manitoba Business Service Centre, the Women's Enterprise Centre, WD Client Services, International Trade Personnel Program, First Jobs in Science and Technology, loan funds in partnership with financial institutions such as the Business Development Bank and Assiniboine Credit Union and an array of strategic initiatives under the Western Diversification Program.

Finally, a number of other federal departments and agencies contribute to growth and development through their respective programs. The most significant of these include Human Resources Development Canada, Canada Customs and Revenue Agency, National Research Council, Industry Canada, Indian and Northern Affairs Canada, Health Canada, Transport Canada, Agriculture and Agri-Food Canada, Canadian Wheat Board and the Canadian Grain Commission.

United States

While in Canada federal involvement in urban issues has declined over the years, in the United States the federal role appears to have increased. There are strong direct linkages between the U.S. federal government and American cities. In Canada, the linkages tend to be more indirect. The strong American federal presence has been attributed in part to programs such as Urban Renewal and the lack of state political will to become involved in urban affairs. Over several decades there has been substantial federal involvement in housing programs, in funding local public housing authorities and mass transit. On a less positive note, though no less significant, was the federal underwriting of the interstate highway system, which, according to many accounts, has been a major contributor to the growth of suburban America, urban sprawl and the depopulation and decline of American inner cities.

At a regional level, federal programs in areas such as water distribution, irrigation and power projects have helped to spawn the growth of cities in the U.S. West and Southwest -- two of the fastest growing areas of the country.

Other federal programs focusing on housing, transportation, infrastructure support and development, crime prevention, education, job training and placement, the environment and fiscal assistance have had important impacts on urban areas.

The Community Empowerment Agenda is a key aspect of U.S. federal urban policy. A broad initiative which recognizes that each city has its own agenda and that the role of the federal government is to work with local communities, the Empowerment Agenda's main components include:

- increasing home ownership in the inner city and improving housing quality,
- improving welfare-to-work initiatives,
- increasing safety and reducing crime,
- cleaning the urban environment,
- increasing educational opportunities, and
- providing financial assistance to small businesses in urban areas.

Included in this is the Empowerment Zone/Enterprise Community Initiative. This program takes a bottom-up approach by requiring a local strategic plan that addresses economic concerns and social services needs. It also requires investment commitments from the private sector. Communities designated as EZ or EC areas are eligible for direct grants, loans and tax incentives from the federal government.

One of the most recent federal initiatives affecting urban areas is the Livable Communities Initiative launched in the late 1990s and revised in June 2000. [14] The Initiative embraces the concept of smart growth. Smart growth recognizes connections between economic development and quality of life and seeks to leverage new growth to improve the community. To support locally-driven efforts, the U.S. federal government proposes to integrate policies to simultaneously achieve economic, social and environmental policy goals and cooperate across various government agencies. [15]

The Initiative outlines a 30-point package of policy initiatives and partnerships in areas such as revitalizing existing communities, expanding economic opportunity, providing more transportation choices, smart growth training and community partnerships. The Community Partnerships Initiative, for example, establishes pilot areas, some of which are mid-sized cities, to demonstrate how the federal government can best align its resources to support local efforts.

Suggested Questions

1. What are the main socio-economic challenges and opportunities facing Winnipeg today and in the future?

2. In order to present a successful urban platform and effectively compete in the global and North American economies, it is necessary to identify both the components of the platform and who at each level of government and society should participate in building the platform.

- What components are required to make Winnipeg a successful urban platform?
- What priorities, if any, should be assigned to those components?
- Which components are now present in Winnipeg? Which components need to be developed?
- What role should the federal government play in building the Winnipeg urban platform?
- Should the federal role be issue-based or sector-based?

3. What principles and priorities should guide the federal role in Winnipeg?

4. Are current federal programs effective in supporting Winnipeg? How can the federal government improve its effectiveness?

5. Is the Winnipeg Development Agreement model an appropriate model for future program delivery? If not, why? If so, what specific issues or areas of focus should be of highest priority?

6. The Report to the Winnipeg Economic Profile Taskforce (Economic Development Winnipeg, KPMG) notes that cluster formation and the commercialization of knowledge are two strategies that could provide growth in key industries and the development of new core competencies in Winnipeg.

- Are these appropriate strategies to guide the federal role in support of Winnipeg's economic development?
- What clusters should be the basis for strategic growth?
- What policies and strategies should be considered to achieve that growth?
- What is the most effective way for the federal government to participate in achieving these two strategies?

7. Since 1995, the federal government has been allocating more resources to R&D to stimulate a transformation to the New Economy. Winnipeg businesses and educational/research institutions have not taken full advantage of these federal programs. Is this because Winnipeg has not defined a competitive strategy that would help create the conditions necessary for attracting of R&D, innovation and economic transformation?

8. Occasionally concerns are expressed that important policy and program decisions do not adequately reflect the impact they have on Canadian cities and on Winnipeg in particular.

- Are these concerns valid?
- Whether these concerns reflect perception or reality, are there ways of improving the sensitivity of national programs to unique regional and/or urban circumstances?

USEFUL WEB SITES

1. Livable Communities -- The site of the U.S. federal government's initiative on livable communities. http://www.livablecommunities.gov

2. The Brookings Institution Center on Urban and Metropolitan Policy. http://www.brookings.edu/es/urban/urban.htm

3. Smart Growth Network http://www.smartgrowth.org/index2.html[1]

4. Initiative for a Competitive Inner City, The Initiative for a Competitive Inner City (ICIC) is a national, not-for-profit organization founded in 1994 by Harvard Business School Professor Michael E. Porter. ICIC's mission is to foster new thinking about the business potential of inner cities, thereby creating jobs and wealth for inner-city residents. http://www.icic.org/

5. Economic Development Winnipeg. http://www.winnipeg2000.com/

6. Western Economic Diversification Canada. http://www.wd.gc.ca/eng/default.htm

7. Treasury Board of Canada, Infrastructure Canada. http://www.tbs-sct.gc.ca/ino-bni/Main/main_e.asp

ENDNOTES

[1] A Report from the Clinton-Gore Administration, *Building Livable Communities*, June 2000, p. 21. http://www.livablecommunities.gov

[2] U.S. Department of Housing and Urban Development, *The State of the Cities 2000*, June 2000. p. iv-v. http://www.huduser.org/publications/polleg/tsoc2000.html

[3] Unless otherwise indicated, the information in this section has been taken from the study, The Winnipeg Economy -- Strategic Research Initiative, Report to the Winnipeg Economic Profile Taskforce, prepared by KPMG and commissioned by Economic Development Winnipeg, 1999.

[4] Statistics Canada estimates the population of the Winnipeg Census Metropolitan area to be 677,625 as of July 1, 1999. The Winnipeg Census Metropolitan Area includes Winnipeg and Headingly plus the following rural municipalities: East St. Paul, Ritchot, Rosser, St. François Xavier, Springfield, Taché and West St. Paul.

[5] Economic Development Winnipeg, Socio-Economic Indicators 1999, June 2000.

[6] Moody's Investors Service Inc., Gauging Economic Diversity in Canadian CMBS, October 20, 2000, p. 12-16.

[7] Capital Region Review, *Final Report of the Capital Region Review Panel*, December 1999, p. 28.

[8] The cities compared were Winnipeg, Columbus, Raleigh, Minneapolis, Colorado Springs, Saskatoon, Edmonton, London and Calgary.

[9] Michael E. Porter, "The Next Agenda for America's Cities: Competing in a Global Economy", First Annual James W. Rouse Lecture, 1997, http://www.rouseforum.org/fr_rouselecture.html

[10] Roberta Brandes Gratz, *The Living City*, 1989. Roberta Brandes Gratz with Norman Mintz, *Cities Back from the Edge*, 1998.

[11] Porter, "The Next Agenda for America's Cities: Competing in a Global Economy", (1997).

[12] Gratz and Mintz, *Cities Back from the Edge* (1998), p. 236.

[13] The Community Development and Security component seeks to promote a safe, productive, and healthy community as the foundation for continued economic development. Support is available for individuals, families, community groups, and neighbourhoods. The Labour Force Development program seeks to promote the development and utilization of a skilled labour force in Winnipeg. Target groups include social assistance recipients, older displaced workers, young people with post-secondary education or training who are unable to find suitable jobs, other youth, single parents, and Aboriginal people. The Strategic and Sectoral Investments component promotes an active and competitive economy to position Winnipeg for economic growth in the global economy. It aims to build on the city's traditional and emerging strengths in areas such as transportation, information technology, small business, and tourism as well as sectors associated with Winnipeg's cultural diversity and heritage.

[14] *Building Livable Communities*, June 2000.

[15] *Ibid.*, p. 23.

Annex 2

Roundtable Discussion of Federal Policy Priorities in the Winnipeg Area
November 16, 2000

List of Attendees

David Walker, Facilitator – West-Can Consultants Ltd.

1. Dr. Alan F. J. Artibise – Director, Public Policy Research Center and E. Desmond Lee Professor in Community Collaboration & Public Policy, University of Missouri – St. Louis
2. Jim August – The Forks North Portage Partnership
3. Daniel Boucher – Société franco-manitobaine
4. Orville Buffie – Western Economic Diversification Canada
5. Jim Carr – Business Council of Manitoba
6. Tom Carter – Institute of Urban Studies
7. Greg Dandewich – Economic Development Winnipeg
8. Doug Davison – Crocus Investment Fund
9. Liese Dorber – Western Economic Diversification Canada
10. Stephanie Heidenreich – Recorder, Institute of Urban Studies
11. Susan Lewis – United Way
12. Marileen McCormick – Centre for Aboriginal Human Resources Development
13. Kate Peach – Recorder, Institute of Urban Studies
14. Jeff Polakoff – Manitoba Department of Family Services and Housing
15. Trudy Schroeder – Winnipeg Folk Festival

16. Harry Schulz – St. Boniface Hospital Research Centre
17. George Skinner – Western Economic Diversification Canada
18. Dr. Ian Smith – National Research Council
19. Margaret Smith – Researcher
20. Annitta Stenning – CentreVenture Development Corporation
21. Patti Sullivan – Winnipeg Regional Health Authority

MULTIPLE REALITIES:
The Role of the U.S. Federal Government in Revitalizing American Cities

Roundtable on Federal Policy
Priorities in the Winnipeg Area
University of Winnipeg
November 16, 2000

Alan F. J. Artibise, Ph.D.
Director, Public Policy Research Center
and
E. Desmond Lee Professor
Community Collaboration & Public Policy

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ALAN F. J. ARTIBISE

URBAN DENSITIES: A COMPARISON

Metropolitan Regions	Area	Population	Density
Vancouver	7588	2,100,000	276
St. Louis	6375	2,600,300	408

Cities	Area	Population	Density
Vancouver	44	500,000	11,364
St. Louis	62	338,000	5,452

Cities	Densities	Densities Applied to City of St. Louis
Vancouver	11,364	704,545
Montreal	14,956	927,272
San Francisco	15,470	959,140
Toronto	16,711	1,036,082
London	20,160	1,249,920
Milan	21,430	1,328,660
New York	23,700	1,469,400
Paris	51,220	3,175,640

City of St. Louis Population in Historical Perspective

1960	750,026
1970	622,234
1980	453,085
1990	396,685
1999	338,000

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Growth in Urbanized Population & Area 1960-1990

Urbanized Area	Population Growth	Land Area Growth	Ratio
St. Louis, MO-IL	17%	125%	7.4:1
(1950-1990)	(65%)	(400%)	(6.2:1)
Chicago, IL	18%	57%	3.2:1
Washington, DC	86%	177%	2.1:1
Minneapolis-St.Paul, MN	51%	89%	1.7:1
Portland, OR	80%	103%	1.3:1
Houston, TX	155%	178%	1.1:1
Charlotte, NC	117%	236%	2.0:1

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Urban Sprawl or Natural Growth

- 1960: 1,668,000 urbanized population on 323 sq.mi. of urbanized land in metropolitan St. Louis
- 1990: 1,947,000 urbanized population on 728 sq.mi. of urbanized land in metropolitan St. Louis
- 17% population growth
  125% land growth
- 7.4 to 1 land/population growth ratio

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American Urban Policy 1992-2000

- Major transformation since early 1990s from abandonment to major support and innovation

Principles of Federal Urban Policy

- "bottom-up solutions" built on partnerships with states, local governments and community- based organizations
- reinvention of Federal programs to make them more responsive
- partnerships with private sector
- development of both "people-based" and "place-based" solutions

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Key Components of Federal Urban Policy

1. Assisting People and Places Transition to New Economy
2. Addressing the Affordable Housing Crisis
3. Addressing Diversity and a Changing/Aging Population
4. Building Safe and Livable Communities

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Federal Urban Programs by Department FY 2001

DEPARTMENT: Housing and Urban Development

Program	Purpose	Annual Budget
1. America's Private Investment Companies (APIC)	- funds plant expansions, conversions, back office operations in low and middle income communities	• $37M (credit subsidy for $1B in federal guarantees) • $500M (Private) equity capital
2. Empowerment Zones	- community revitalization in depressed areas	• 22 zones x $15M each plus $2M discretionary = $332M
3. Community Development Block Grants	- a flexible tool for cities to address underused sites	• $4.9B
4. Brownfield Development	- redevelopment of abandoned and underused sites	• $50M
5. Regional Connections	- development of smart growth strategies across jurisdictions	• $25M
6. HOME Investment Partnership Program	- finance construction and rehabilitation of multi-family rental housing	• $1.65B
7. Section 8 Rental Assistance	- add 120,000 new vouchers to existing portfolio of 2.4M	• $690M for new vouchers only

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Federal Urban Programs by Department FY 2001

DEPARTMENT: Housing and Urban Development

Program	Purpose	Annual Budget
8. HOPE VI & Public Housing	- support for public housing authorities	• $2.96B capital • $3.2B operating • $625M to demolish distressed projects
9. Homeless Assistance	- assist communities to address homelessness	• $1.2B
10. Housing: Elderly & Disabled	- meet housing and support service needs	• $779M (elderly) • $210M (disabled)
11. Housing: HIV/AIDS	- housing and support services	• $260M
12. Youth Build	- skills training by rehabilitation and building housing	• $75M
13. Community Outreach Partnership Centers	- community revitalization through partnerships with urban universities	• $6M
14. Community & Interfaith Partnerships	- supply affordable housing and create economic opportunity	• $20M

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Federal Urban Programs by Department FY 2001

DEPARTMENT: Treasury

Program	Purpose	Annual Budget
1. New Market Tax Credit	- encourage private investment in low and moderate income communities	• tax credits up to $15B
2. Community Development Financial Institutions	- funds for community development banks, credit unions, etc. to finance housing, community facilities, small businesses, etc. in low-income areas	• $125M
3. Earned Income Tax Credit	- tax relief for hard-pressed working families	• tax credits up to $21B
4. Low-Income Housing	- enabling credit for 165,000 new rental housing units over 5 years	• tax credits up to $1.7B over 5 years

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Federal Urban Programs by Department FY 2001

DEPARTMENT: Transportation

Program	Purpose	Annual Budget
1. Community Transportation Choices	- to support public transit, innovative programs, and congested communities	• $6.3B transit • $771M innovative • $1.6B congestion
2. Job Access and Reverse Commute	- expand transportation services to assist low-income people to get to work	• $150M

DEPARTMENT: Small Business Administration

Program	Purpose	Annual Budget
1. New Markets Venture Capital	- create small business investment companies to provide equity and debt capital	• guarantee up to $150M in loans, matching $100M private equity • $30M operating grants
2. Microenterprise Lending & Technical Assistance	- provides access to capital financial services and training to entrepreneurs	• $60M

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Federal Urban Programs by Department FY 2001

DEPARTMENT: Labor

Program	Purpose	Annual Budget
1. Welfare to Work	- assist welfare recipients	• $3B
2. Dislocated Workers	- training & employment services	• $1.6B
3. One Stop Career Centers	- expand career centers providing job search information	• $1B
4. Youth Opportunity Grants	- address special challenges of out of school youth, especially in central cities	• $375M
5. Responsible Reinvention for Youth Offenders	- promote partnerships among schools, employers, criminal justice system and community-based organizations to reintegrate young offenders	• $75M
6. Job Corps	- skills training & support services	• support for 122 Job Corps Centers
7. GEAR-Up for College	- enhance partnerships between high poverty high schools and colleges	• $240M

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Federal Urban Programs by Department FY 2001

DEPARTMENT: Health & Human Services

Program	Purpose	Annual Budget
1. Child Care Development Fund	- operate child care subsidy programs	• $4.6B
2. Head Start	- early childhood development	• $6.3B
3. Social Services Block Grants	- wide range of programs including child protection, services for elderly and disabled, teen parents	• $75M
4. Individual Development Accounts	- allow low-income families to create IDAs to save for care; more than 60,000 accounts	• $25M

DEPARTMENT: Environmental Protection Agency

Program	Purpose	Annual Budget
1. Better America Bonds	- permit local governments to clean up brownfields, preserve green space, restore urban parks, protect water quality	• $700M tax credits over 5 years

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Federal Urban Programs by Department FY 2001

DEPARTMENT: Justice

Program	Purpose	Annual Budget
1. 21st Century Policing	- put more police on streets and more prosecutors in communities	• $1.34B
2. Criminal Justice Assistance	- assist crime prevention and improve system	• $2.37B
3. Supervise Released Offenders	- address community concerns	• $60M
4. Grant Program	- address drug-related and violent crime	• $500M
5. Drug Elimination Grants	- reducing crime in public housing	• $345M

Other Justice Programs

- violence against women
- local drug courts
- juvenile justice program
- office for victims of crime
- officer next door program

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Federal Urban Programs by Department FY 2001

DEPARTMENT: Education

Program	Purpose	Annual Budget
1. Adult Education & Literacy	- skills training	• $556M
2. New Teachers/Smaller Classes	- recruit, hire and train new teachers	• $1.75B
3. Bridge Digital Divide	- create community technology centers - provide training to teachers - help students gain access to technology	• $100M • $150M • $653M
4. E-Rate	- assist schools and libraries with access to technology	• $2.25B over 5 years
5. 21st Century Learning Centers	- after school and summer school programs	• $1B
6. New and Modernized Schools	- build or renovate public schools	• $1.3B capital • $2.4B in tax credits
7. Safe and Drug Free Schools	- promote better schools	• $650M

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GOALS OF FEDERAL URBAN POLICY

1. Transition to New Economy

- increase access to capital and credit
- bridge digital divide - access to computers & technical skills
- invest in people-workforce development, education, job training

2. Affordable Housing Crisis

- reform affordable housing programs
- produce new housing, improve rental housing, expand homeownership, promote fair housing

3. Changing/Aging Population

- programs for elderly and special needs
- programs attacking discrimination

4. Safe & Livable Communities

- managing growth, encouraging smart growth/regional planning
- protect open spaces, accelerate brownfield clean-up
- expand transportation choices
- provide financing tools

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